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March 23, 2012

California Energy Commission  
Dockets Office, MS-4  
Re: Docket No. 11-RPS-1038  
1516 Ninth Street  
Sacramento, CA 95814-5512

**11-RPS-01**

**DOCKET**

**02-REN-1038**

DATE MAR 23 2012

RECD. MAR 23 2012

**RE: Consideration of Suspension of the RPS Eligibility Guidelines Related to Biomethane**

Dear Commissioners:

Southern California Gas Company (SoCalGas) respectfully asks the California Energy Commission (CEC) to clarify that the proposed suspension of Renewable Portfolio Standard (RPS) eligibility of biomethane only applies to out-of-state biogas. While we understand the controversy surrounding the qualification of out-of-state biogas for the Renewable Portfolio Standard, and the need to ensure that out-of-state directed biogas provides the benefits expressed under SB X1 2 (Simitian, Chapter 1, Statutes of 2011), we have significant concerns that a moratorium on in-state biomethane will be counter-productive to the growth of California's in-state biomethane market that clearly does provide benefits to the state of California.

SoCalGas would like to point out that in-state biomethane provides at least three of the RPS benefits noted in California Public Utilities Code Section 399.11, "each of which independently justifies the program."

1. "Displacing fossil fuel consumption within the state."
  - a. Point Loma Wastewater Treatment Plant in San Diego, CA is injecting approximately 750,000 cubic feet per day of conditioned biogas (biomethane) into the SDG&E gas distribution system. As of this date, there are also plans for several more in-state injection projects across Southern California, specifically in the Central Valley and LA Basin.
  - b. The potential for biogas production/injection in SoCalGas' service territory is approximately 105 million standard cubic feet per day (MMscfd) in the following customer activity areas: wastewater treatment facilities (20MMscfd), dairies/livestock (70MMscfd), and food/green waste processing (15MMscfd). Wastewater treatment facilities are well suited for this as many already produce biogas that is flared, rather than put to a more productive use. If all of this otherwise wasted organic material produced biogas that was conditioned suitable for injection into the natural gas pipeline network, it would offset up to 105MMscfd of fossil fuel that is currently delivered to California through interstate pipeline systems.
2. "Meeting the state's climate change goals by reducing emissions of greenhouse gases associated with electrical generation."
  - a. Anaerobically digested landfill diverted food waste helps reduce greenhouse gas emissions. Using the Climate Action Reserve's Organic Waste Protocol, SoCalGas estimates that one renewable natural gas injection project that digests 411 tons of landfill

diverted food waste per day can create annual emission reductions of 56,250 metric tons of CO<sub>2</sub> equivalent. This is the equivalent of taking approximately 11,000 passenger vehicles off the road.

3. “Meeting the state’s need for a diversified and balanced energy generation portfolio.”
  - a. SoCalGas estimates that the amount of renewable natural gas that can be produced by twenty economic projects is approximately 30 million cubic feet per day. If all of this renewable natural gas were injected into the utility pipeline network and directed to an RPS certified generation facility, it would provide enough fuel to generate approximately 100 MW of renewable power.

There are a number of in-state injection projects in various states of development; the suspension of RPS qualification for the use of the biomethane produced by these projects could preclude the financing of these projects and essentially stall this rapidly developing renewable energy source. Because of this, and all the reasons stated above, SoCalGas respectfully asks the CEC to focus the suspension of biomethane qualification for RPS on out-of-state biogas only, leaving in-state biogas eligible for RPS qualification.

Thank you for your consideration of this important matter.

Yours sincerely,

*Tamara Raspberry*

c: Ms. Kate Zocchetti, RPS Technical Director